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M I N U T E S

Seventh Meeting of the
PSYCHOLOGICAL STRATEGY BOARD
December 20, 1951, 2:30 p.m.
Room 5104, State Department

MEMBERS:

General Walter B. Smith, Director of Central Intelligence,
Chairman
Honorable William C. Foster, Deputy Secretary of Defense
Honorable James E. Webb, Under Secretary of State
Mr. Gordon Gray, Director, Psychological Strategy Board
Mr. Raymond B. Allen, Director Designate, Psychological
Strategy Board

OTHER PARTICIPANTS:

Department of State

Mr. Edward W. Barrett, Assistant Secretary of State
Mr. John M. Allison, Acting Assistant Secretary of State
(Agenda Item 5 only)
Mr. W. Bradley Connors (Agenda Item 5 only)

Department of Defense

Brig. General John A. Magruder (Retired)

Joint Chiefs of Staff

Brig. General Jesmond D. Balmer, USA

Central Intelligence Agency

Mutual Security Administration

Mr. John Ohly (Agenda Item 2 only)
Mr. Robert Eichholz (Agenda Item 2 only)

Psychological Strategy Board

Colonel Charles W. McCarthy, USA
Mr. Tracy Barnes
Mr. Wallace Carroll
Mr. John Sherman
Mr. Charles E. Johnson

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Colonel, USA
Executive Officer

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Agenda Item 2. - Program for Soviet Orbit Escapees, Staff Study
Reviewed by a Psychological Strategy Board Panel
(PSB D-18)

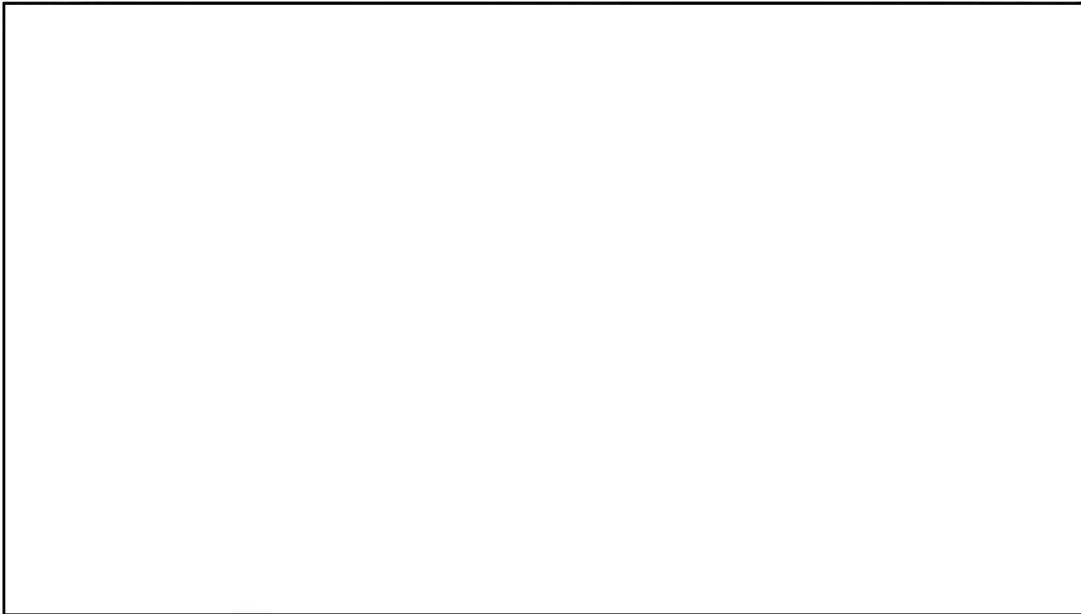
Action

A. The Board approved PSB D-18 as a basis for further action with the following amendments:

1. Add new paragraph "b, 2" to the Recommendations to read as follows, "To provide the necessary guidance for planning and effecting access to escapees in connection with covert U. S. programs".

2. Make all changes as are necessary in the amounts relating to sources of financing and objects of expenditure set forth in the Discussions and Recommendations to conform with the amounts set forth in the statement provided by the Department of State as follows:

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The lower MSA dollar figure in the PSB budget than in the Department's budget results chiefly from the lower per capita estimate for resettlement plus an estimate for available counterpart funds,

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B. The Board requested the Department of Defense, in coordination with other responsible agencies, to complete and submit to the Board as a matter of urgency a study of the possible military potential in the utilization of escapees for military purposes other than those set forth in the Lodge Bill.

Discussion: Mr. Gray stated that the subject program was being developed, first, to meet the present extremely critical situation and, second, to meet the need for positive means of maximizing the psychological benefits in the escapee situation.

Mr. Sherman presented the staff study. In presenting the study he emphasized the urgency of the recommended action and stressed the fact that the carrying out of this program is a prerequisite to the success of present as well as any new future policies and programs for the utilization of escapees.

Mr. Webb stated that the State Department was prepared to accept responsibility for implementing the U. S. objectives in this program and, in so doing, for assuring that a suitable organization is established to administer the program. He further stated that the State Department required greater assurances with respect to financing than those now proposed and suggested that the Psychological Strategy Board itself should request the Director of Mutual Security for an allocation of \$4,300,000. He also reserved discretion with respect to revising the plans for expenditures and means of financing. He observed that the State Department may arrange with a special organization to assist in administering the program.

Mr. Ohly pointed out that any funds made available by the Director of Mutual Security would be from Title I - Military End Item Funds - as authorized by the terms of the Kersten amendment. He raised the question of the Congressional intent with respect to the use of these funds for an escapee program, indicating that the program might be interpreted as a welfare program. He

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urged that a check be made with key Congressmen on this aspect. He further stated that there were other competing claims on these funds and there is an element of priorities involved. He also indicated that it looked as though this might be the first phase of a program that would lead to a larger expenditure in the future, and asked if thinking had yet developed with respect to this second phase. ✓

General Smith said that the Board had not thought through the second phase of the program and was not able at this time to state such further requirements.

Mr. Webb pointed out that the estimate of governmental financing had been kept low due to the anticipated tie-in with voluntary refugee organizations and with the plans of other interested countries.

It was generally agreed that it was highly important that a thorough study be made of the potential military usefulness of the program, both for the purpose of supporting allocation of funds by the Director of Mutual Security and the defense of such allocation in the Congress and also for the purpose of developing the second phase of the program.

Mr. Foster made clear his position that in approving the paper for further action he was specifically withholding for further consideration the question of the transfer of funds from Title I, Military End Item Funds, for the purpose.

General Smith asked that the staff study be amended to change the language of paragraph 23-b-1 as noted in the action above.

Mr. Webb proposed, and the Board approved, the insertion of a new estimate of the cost of program in paragraph 20 to provide for a request to the Director of Mutual Security for \$4,300,000 instead of the proposed request of \$2,500,000 contained in the staff study. The text of the Department's budget for handling 18,000 escapees is set forth under "Action" above.

Agenda Item 1. - Staff Study on Publicity with Respect to Certain Weapons (PSB D-18/C)

Action: The staff study was approved. The Board authorized the immediate establishment of a committee chaired by a representative of the Department of Defense and a directive to the committee

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to proceed with the drafting of its terms of reference for the approval of the Psychological Strategy Board. The Committee should then address itself as a matter of urgency to the preparation of a national information policy.

Discussion: Mr. Gray presented the staff study indicating that the title now referred to "certain" weapons pursuant to a suggestion by the Department of Defense. The kinds of weapons covered are defined in the text of the study. Mr. Gray pointed to the difficulties involved in dealing with this subject due to the presence of both domestic and foreign information aspects and the fact that the Psychological Strategy Board is not in any way concerned with the domestic aspect. Further there are interdepartmental difficulties due to divided statutory responsibilities with respect to the release and treatment of classified information. There are other problems arising from the responsibility of the State Department under NSC-59/1.

Mr. Webb suggested that the proposed committee be established with instructions to proceed immediately with the drafting of its terms of reference for the review and approval of the Board. He noted that the Board at this time could not deal with all the complications involved. He further proposed that the committee could be next instructed to prepare a national information policy guidance under which the Department of Defense and the State Department could issue their respective types of guidance bearing on those matters for which they have statutory or executive responsibility.

Mr. Foster thought that through the use of the committee the responsibilities now divided between the Department of Defense and the Atomic Energy Commission could be coordinated.

It was agreed that the committee would be organized as proposed in the staff study and that it would be requested to draft its terms of reference for the approval of the Board and further that it would prepare a national information policy as a matter of urgency.

General Smith designated [redacted] as the CIA representative. Mr. Foster designated Mr. Clayton Fritchey as the Department of Defense representative. Mr. Webb stated that he would designate the Department of State representative at a later time.

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Agenda Item 3. - Plan for Conducting Psychological Operations during General Hostilities (D-8/a)

The Chairman inquired as to the status of the comments of the Joint Chiefs of Staff, receipt of which are needed before the Board takes final action on the plan.

General Balmer reported that the matter is still under consideration by the Joint Chiefs of Staff and that he has been attempting to expedite completion of the comments. The Chairman requested General Balmer to inform the Joint Chiefs of Staff that the Board hopes to receive their comments some time during the month of January. Mr. Foster said that he would expedite action and attempt to secure the final comments early in January.

Agenda Item 4. - New Projects Approved by the PSB for Staff Action.

Mr. Gray reported that this agenda item is for the information of the members of the Board. These three plans have already been approved as projects for work by the PSB staff. He reported that with respect to agenda item 4-B the Department of State has suggested that the study take the form of an evaluation of the psychological results obtained from the President's original proposal to the United Nations General Assembly with respect to the reduction and limitation of armaments and with respect to the manner in which it has been exploited up to this time. This evaluation would precede any further planning of further exploitation of the proposal. Mr. Gray further reported that agenda 4-C is not considered to be a matter of high priority and it will be so treated. Mr. Gray also stated that another project was considered by the Board members which does not appear on the agenda, i. e., the East-West Trade Problem in connection with the forthcoming Moscow Economic Conference which is set for next April. This matter is also under study as authorized by the Board's members.

Agenda Item 6. - Suggestion for a new project by General Walter B. Smith.

Action: The Board approved this proposal as a new project under the leadership of the Department of State with the assistance of the PSB staff. General Smith's proposal is as follows:

"I suggest that the Board consider on a priority basis a Psychological Warfare Plan for Germany, which will define

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strategy in regard to two major interlocking problems:

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There was discussion of Colonel Henry Byroade as possible chairman and general agreement that he should be the chairman of a panel to be organized under his leadership in cooperation with the staff of PSB.

Agenda Item 7. - Status Report on Panel B (Inventory of Resources Presently Available for Psychological Operations Planning.

Mr. Gray reported that there is substantial agreement within the panel with respect to a checklist of resources available to planners and that it will be submitted to the members of the Board before the next meeting. It will, however, not be submitted for the Board's approval but be made available for the use of planners in the respective Departments and agencies.

Agenda Item 5. - Briefing by Department of State Staff on Psychological Operations Plan to Assure the Continuing Orientation of Japan Toward the West.

Mr. John M. Allison in charge of the Bureau of Far Eastern Affairs presented a briefing covering the salient facts with respect to Japan. He stated that Japan, although sovereign after

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the occupation ends, will still not have the ability to defend herself and the defense of Japan for an indefinite period will be an American responsibility. This will create difficult psychological problems. We will have to use great tact and patience in guiding them. The Japanese are afraid of rearmament, both because of economic reasons and due to their fear of a resurgent military caste. Neutralism is also to be combatted because the Japanese feel the Russian menace. Another very serious problem is due to Japan's felt need for trading with China. There must be a reorientation of trade to reduce the pull toward the Continent. In addition the unsolved problem of China complicates our problem in Japan.

Mr. W. Bradley Connors presented a paper setting forth in more detail a psychological plan for Japan. This paper has been distributed to PSB members.

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